



25 November 2022

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2022 AGM CEO Presentation

COG Financial Services Limited (COG) attaches the following documents in relation to the FY2022 Annual General Meeting:

- CEO Presentation.

Announcement authorised by: Andrew Bennett, Chief Executive Officer

For further information please contact:

Andrew Bennett
Chief Executive Officer
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COG Financial Services Limited (COG) has two complementary businesses:

1. Finance Broking & Aggregation: Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia's largest asset finance group, representing over \$6 billion per annum of Net Assets Finance (NAF). Further growth is being achieved through organic growth in equipment finance, insurance broking, novated leasing, and through equity investment in brokers.
2. Funds Management & Lending: Through broker distribution, COG provides equipment finance to SMEs, and real property loans via its subsidiary Westlawn Finance Limited. Growth in Funds Management is a key focus, and through its subsidiary Westlawn, COG has approximately \$680m currently under management, including mortgage-backed lending arrangements.

In both businesses COG's market share is small relative to the market size in which it operates, and there are significant growth opportunities through consolidation and organic growth.



AGM

25 November 2022

Andrew Bennett
Group Chief Executive Officer

COG is a distribution business & asset manager

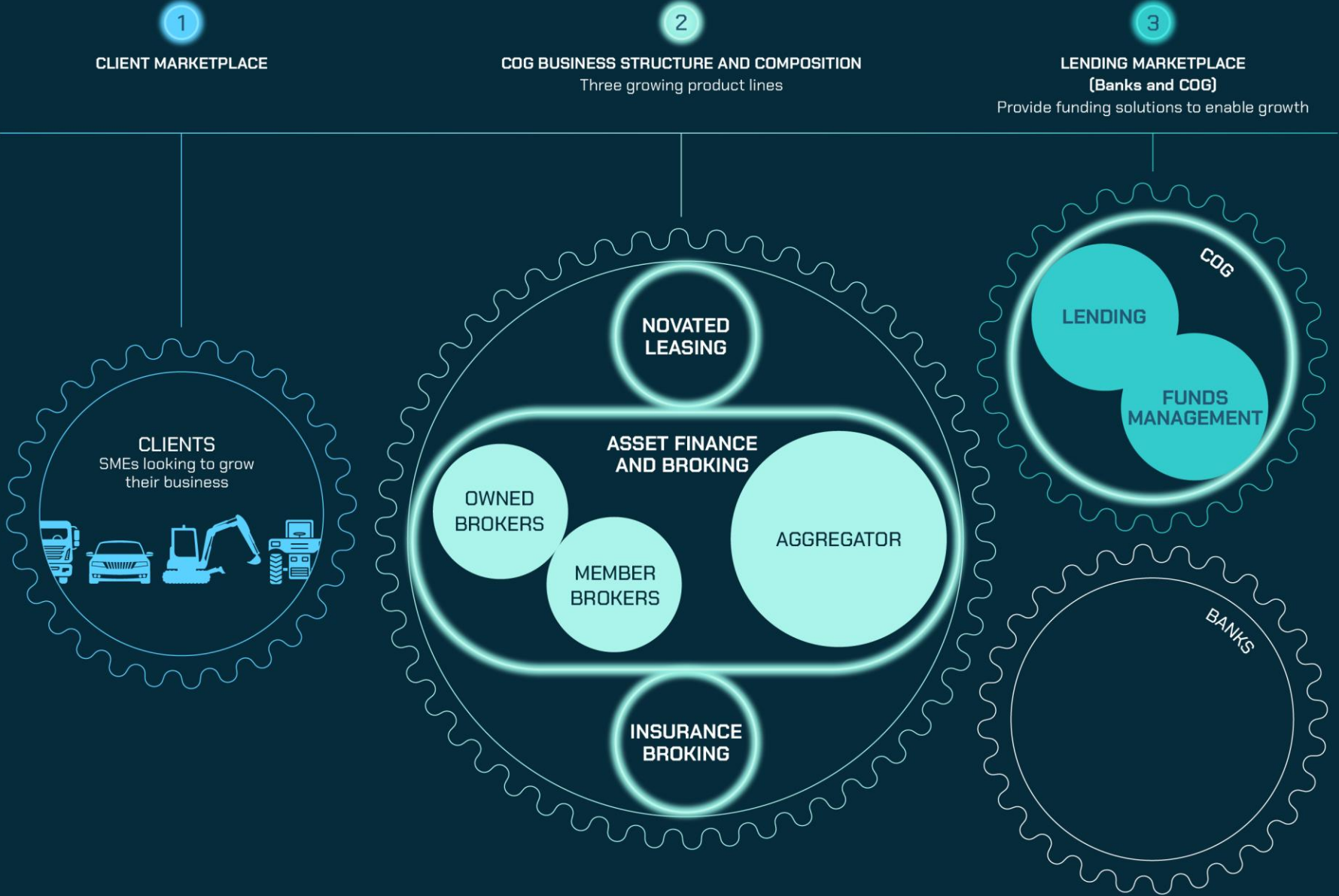
We have a sales force of
Distribution Businesses



Funds Management Businesses that manage
an ever-growing pool of investible capital



COG's business ecosystem



\$6.7BN
of assets financed in FY22

120,000
transactions

20%
of all asset finance
transactions in Australia

Strategy - growing a truly diversified business

Leveraging a strong & significant broker market share in the Asset Finance space, to expand cross selling opportunities, grow our direct lending activities and associated margins

Increasingly diversified footprint & expanding margins



Building Lending and Funds Management footprint



Novated leasing organic growth & acquisitions



Insurance broking, leveraging cross-sell opportunities



Asset Finance Broking & Aggregation organic growth & acquisitions

- Organic growth in Westlawn is being achieved by the distribution of loan products through COG's broker network
- Westlawn's chattel mortgage origination volumes through the COG broker network are building strongly
- Funding achieved in a capital efficient manner
- Acquisition of an additional funds management business, Equity-One Mortgage Fund Limited see funds under management in the group +\$600 mill
- COG runs a growing novated lease and salary packaging service business through its indirect subsidiaries Fleet Network and beCarWise businesses
- Leveraging the generally stronger relationships that an asset finance broker has with a client given the understand of the financial position of the underlying business the broker has to offer a broader product set
- COG has three insurance businesses that are all demonstrating solid organic growth
- Australia's largest asset finance broking & aggregation group, with an estimated 20% market share of broker originated asset finance lending
- Leading edge technology via the COG Aggregation platform
- Strong and stable fee income generation with no credit risk

The linkage, why COG owns the businesses it does

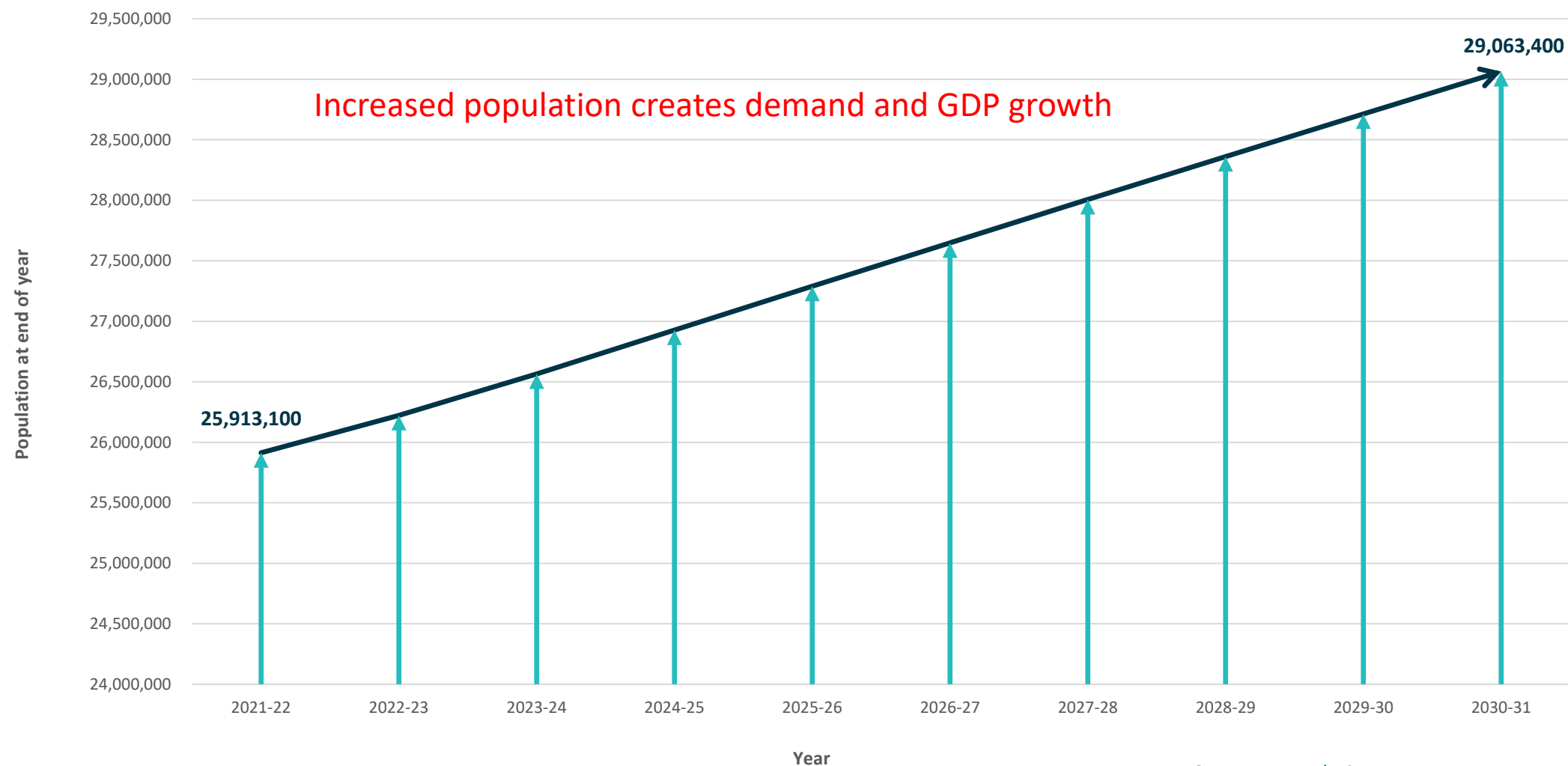
COG sees huge value in distribution being leveraged across a broader range of financial products:

- SME broking is the core of COG's distribution business and is the base to building quality relationships to provide a range of services
- Can therefore more easily cross-selling additional services (across insurance, leasing and asset finance) allowing great monetisation of the customer relationship.
- We are also able to capture a small proportion of the fixed income financial assets originated for funding directly. This fuels the growth of the asset management business and higher margins.
- Novated leasing is primarily focused on governments and larger corporates which drives diversity in income streams addition to SMEs but allows us to leverage our core expertise in building relationships with customers.

Megatrends that will drive growth:

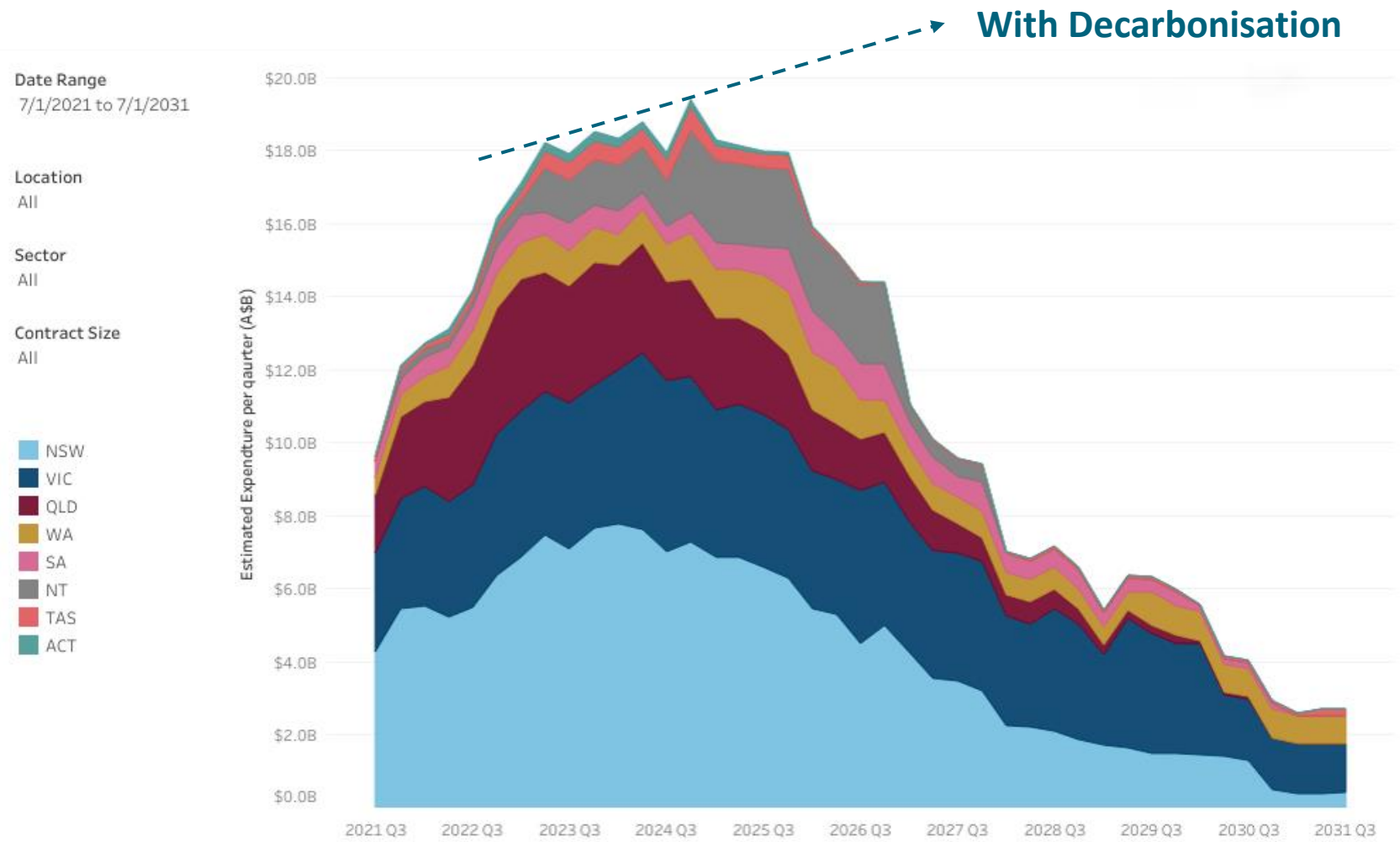
- Banks continue to close branches and rely on brokers. Currently 70% of bank originated loan assets come via brokers. Eventually this will move to 100%.
- Non-Bank sector continues to grow, and they don't have a branch network and rely exclusively on brokers.
- Population growth.
- Infrastructure and construction resulting from population growth.
- Decarbonisation.

Population Projection – 12.2% increase



Source: population.gov.au

Committed infrastructure expenditure, with more to come



Source: [Infrastructure.org.au/chart_centre/pipeline](https://infrastructure.org.au/chart_centre/pipeline)

Transitioning the electricity grid to renewables will generate enormous activity for SMEs

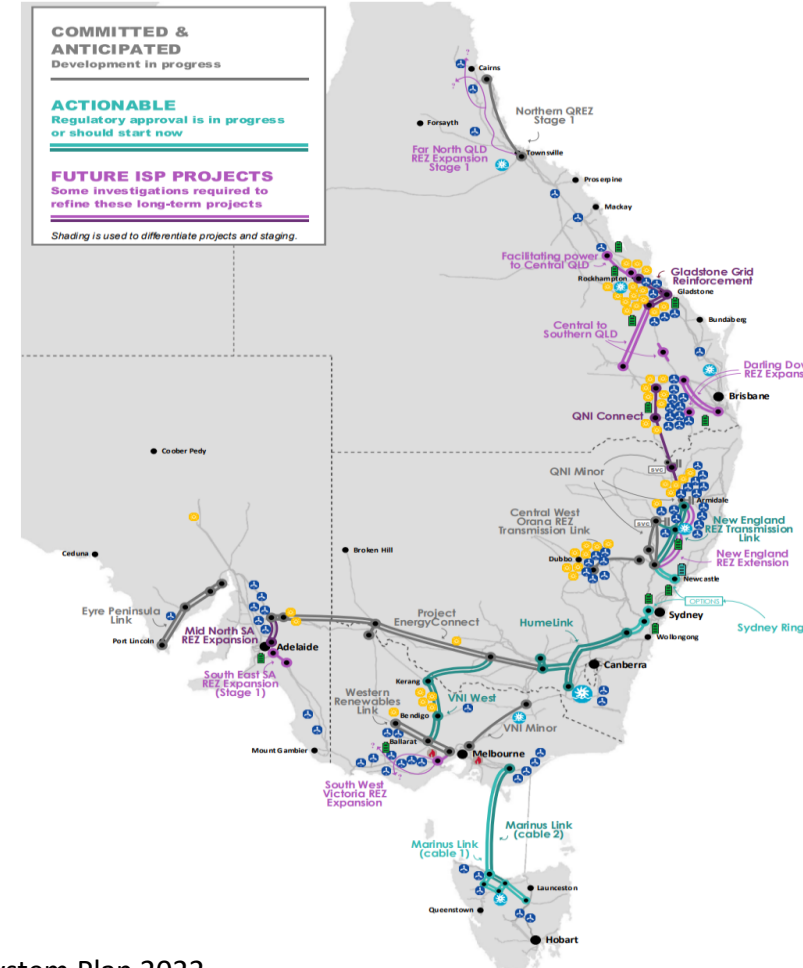
Climate Change Act (Cth) 2022

Carbon emissions to reduce by 50% of 2005 levels by 2030.

Consequences for COGL

1. Transition of electricity grid to renewables generates significant demand from COG's distribution businesses.
2. Electrification of Australia's vehicle fleet.

Figure 2 Map of the network projects in the optimal development path



Electrification - What's got to be replaced

10 million Households in Australia

- 18.5 million passenger vehicles and light commercial vehicles –
Electric Car Discount Bill – incentive for novated leasing of Electric Vehicles.
- 1 million motorcycles

Commercial

- **2,200** diesel locomotives
- **10,000** mining trucks
- **11,000** general aviation aircraft
- **2,300** commercial aircraft
- **200,000** light trucks
- **370,000** heavy trucks
- **110,000** articulated trucks
- **100,000** buses

Insurance – a growth area for COG

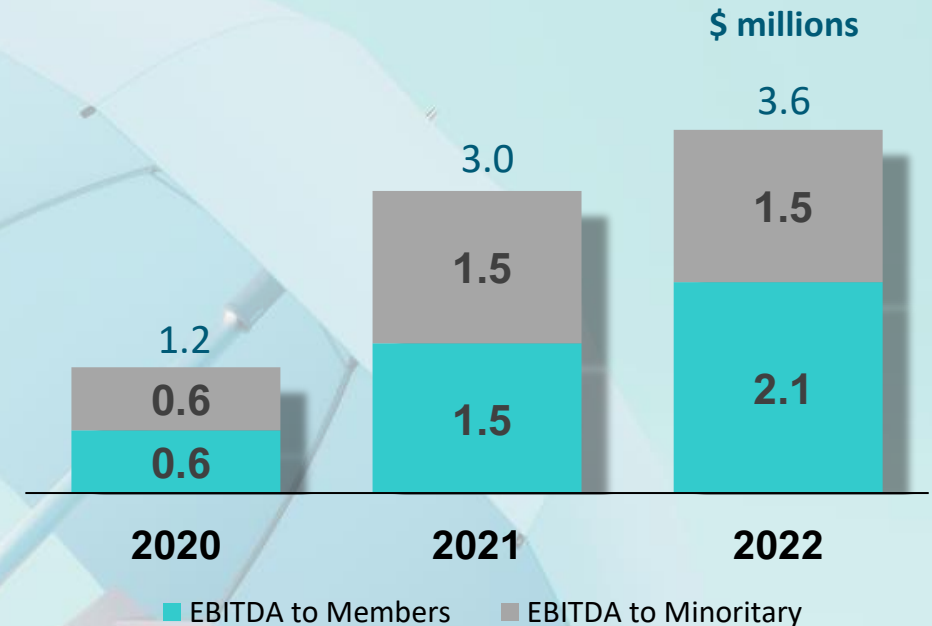
COG's SME clients also need insurance

COG's SME clients also need insurance products which provides an opportunity for COG's asset finance brokers to cross sell insurance to their clients. Generally, the relationship that an asset finance broker has with a client is a 'closer' one compared to an insurance broking relationship because the asset finance broker has to understand the financial position of the underlying business in order to arrange the finance.

This close relationship makes it relatively easier to capture the client's insurance business and therefore provides an opportunity to leverage the value of its core broking relationships.

COG now has 3 Insurance broking businesses

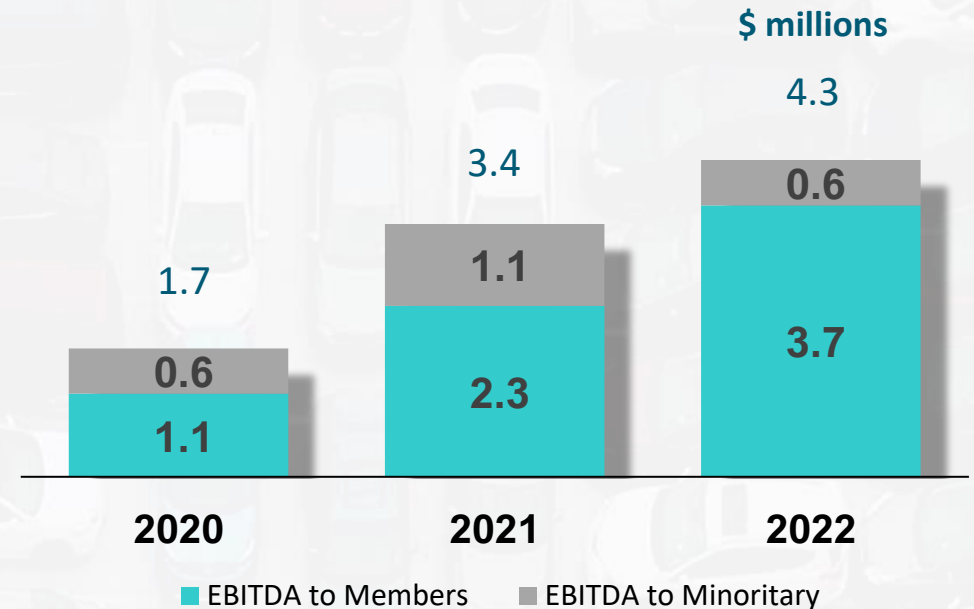
COG now has three insurance businesses that are all demonstrating solid organic growth operating alongside existing businesses. Insurance broking will be a more significant part of COG's operations and earnings in future.



Novated leasing

COG runs a novated lease and salary packaging service business through its indirect subsidiaries Fleet Network and beCarWise.

As novated leasing specialists, we've assisted everyone from private buyers, to large Australian companies and multi-national organisations on how to choose the right vehicles and finance for their needs.



FY 23 so far & outlook

- COG's YTD NPATA to 31 Oct 22 up 26% on prior comparable period.
- Strong activity in all segments and will continue given mega trends supporting mining, infrastructure, transport and agri.
- Recession unlikely, if there is, it will be short and shallow.
- Despite higher rates and recession fears still abundant liquidity in lending markets; banks still lending and non-banks still securitizing.
- Increased Cap-Ex on cyber security, data protection and systems in general as COG continues to make progress on its digital transformation.
- Continuing to build a positive organisational culture and working environment that attracts good people in what is a very competitive employment market.
- Strong and committed leadership group, backed by an effective longstanding Board that have significant equity interests in COG.
- Scale. COG now the biggest aggregator and broker. This scale means it can support significant investment in its own proprietary software platform giving it the advantage of having the best offering in the market.

Thank you